

Britain will be scrambling hard to put Galileo at the centre of a new security partnership



*Galileo, a niche satellite technology programme, has escalated to the top of the Brexit political agenda as Britain and the EU wrangle over access to it. There is a thrilling tension as the two have become locked in an inter-governmental conflict overhung by industrial threats, against a backdrop of science-fiction-like technologies. Galileo symbolises the power of space communications for economic and security policy. And now the EU has signalled a red light to Britain's key demand for full access to a next-generation encrypted service, writes **Monica Horten (LSE)**.*

The EU's announcement of a €16 billion investment in a post-2020 space strategy puts into sharp relief the dispute with Britain over the Galileo satellite programme. The EU is thinking strategically to develop commercial and government applications, aiming to establish itself as a global leader in space. Britain is putting national security first in a move that seeks a deal to get full access Galileo's encrypted service, with full participation of British firms, whilst apparently brushing off non-security elements. However, in a set of slides prepared for a Council of Ministers meeting this week, the EU has shown in a traffic-lights coloured chart how British demands don't fit with the EU rules for third-country participation.

Galileo is the European rival to the GPS (United States) and GLONASS (Russia) satellite navigation systems. The [EU Space Programme](#) post-2020, announced this week, positions Galileo as one of three major programmes being funded between now and 2027. Galileo will benefit from a \$9.7 billion budget allocation from 2021-2027. The other two are the Copernicus earth observation programme, and a new satellite-based secure communications system for government use. The EU wants a 'flourishing' of commercial and government applications. It is looking for a €63 billion benefit to EU industry over a 20 year period, with up to an additional €45 billion in indirect benefits that would flow from a downstream exploitation of the system. According to its [Impact Assessment](#), it sees the space programme as a key facilitator for other public policy objectives.



Centre Spatial Guyanais. Credit: Benoît Prieur – CC-BY-SA

The EU has proposed a new piece of EU legislation that underpins the space strategy and makes some changes to the governance structure of the Galileo programme and seeks to strengthen EU interests in the European Space Agency (ESA). This is the [Proposal for a Regulation establishing the space programme of the Union and the European Union Agency for the Space Programme](#) (6.06.2018). The proposed Regulation seeks to “fully finance” Galileo and will be “the owner of all tangible and intangible assets” (Article9). The Agency that currently manages Galileo – the GNSS Agency – is being upgraded to be responsible for supporting the development of commercial applications. It will be re-named the European Union Agency for the Space Programme.

The proposed legislation states that Galileo is a key strategic asset from a security perspective and it is tightening up on the security accreditation to the programme, as well as access to sensitive information (Recitals 32-37). It seeks to restructure its arrangements with the European Space Agency (Recital 29) and seeks full autonomy over its space programmes in order to protect the EU against interference from third countries (Article 7). Interestingly in the Brexit context, it includes a provision to specifically exclude third countries from the decision-making process:

Article 7.2(c) (c) does not confer to the third country or international organisation a decisional power on the programme;

So where does this put Britain? An increasingly heated dispute has flared up between Britain and the European Union over Britain's post-Brexit access to Galileo. Britain is under threat of being squeezed out of the Galileo programme due to certain provisions in the EU Withdrawal Agreement ([Article 123 and 122 7\(b\) coloured version](#)). The direct effect of these Transition provisions has been that British representatives will be excluded from the governing bodies and committees of the Galileo programme. In particular, Britain will be excluded from all participation in the encrypted Public Regulated Services (PRS), including PRS technical development and will lose rights to use the service when it [comes on stream in 2020](#). A knock-on effect is that the ability for British-based to bid for new Galileo contracts, or even to complete work on existing contracts, is thrown into jeopardy.

There is a real concern that British industry will lose out. Airbus, a Dutch-controlled corporation and [major contractor for Galileo](#), has [told the House of Commons Exiting the EU Select Committee](#) that bids for contracts after March 2019 would have to be led by firms based inside the EU27: "Effectively that means that for Airbus to bid and win that work we will effectively novate all of the work from the UK to our factories in France and Germany on day one of that contract," said Colin Paynter, Managing Director, Airbus Defence and Space UK, when he appeared before the Committee on 9 May 2018.

The British government is unhappy with that situation, although it is actually hoisted on its own petard ([Galileo satellites illuminate EU-UK divorce tensions](#)). It is now trying to negotiate its way back in. Britain wants to stay in Galileo and will pay for it. The government has laid out its position in a document with the unremarkable label of '[Technical Note: UK Participation in Galileo](#)' issued at the end of May. Contrary to what it might seem, this document is more than a mere 'technical' note. It makes the case for ongoing British participation in Galileo, stressing how much the British expertise has contributed. It suggests that British exclusion or withdrawal from the programme would increase system costs for the remaining participants, whilst issuing a gentle reminder that some of the sensor stations are hosted on British overseas territories.

However, according to this Technical Note, the British government is only interested in the secure PRS service, and has excluded itself from participation in non-security committees and working groups. It has called for Galileo to be a core component of a future EU-UK Security partnership (Technical Note 10, 18.). The big 'ask' is for full access to the military-grade Public Regulated Service (PRS) system that Galileo satellites will deliver. This includes being involved in its design and development at all stages, and a seat at the table on the committees that take decisions on PRS, with full access to information (S.22 and S.31). This would include the GNSS Security Board and technical working groups. Underlying concerns appear to be about control of critical technologies remaining in British hands (S.10) (S.16). Although unstated, this could include intellectual property rights (IPR).

Tied in with the security objective, is a demand for the re-admission of British tenders for contracts on both military and civilian applications. This demand has been underscored by a letter from the Science Minister, Sam Gyimah, to the EU Internal Market Commissioner Elżbieta Bieńkowska, as reported by the [Financial Times](#). He is understood to have asked her to support the postponement of a new procurement round, in order to win time for British involvement to be discussed further. His request appears to have been unsuccessful according to the [Guardian](#). The proposed new EU Regulation leaves open the way for Britain to negotiate its way back in (Article 7.1(b)). However, a number of new agreements will need to be in place. There will have to be a Security of Information Agreement, a Satellite Navigation Cooperation Agreement, and an Agreement on Access to PRS (See [Galileo satellites illuminate EU-UK divorce tensions](#)) This was confirmed by the European Commission in its presentation on [security and defence](#) from January 2018.

These agreements could all sit under the umbrella of the Security Partnership. However, it might take some time to negotiate this Partnership. Talks have only just begun, according to a Home Office official speaking to a [House of Lords Select Committee on the European Union, Home Affairs Sub-Committee](#), on 15 May this year: “*Internal security, so far, has involved little more than an hour’s discussion with Task Force 50, where we presented a version of the slides that were published last week, and it presented some slides that it had published in January. We were really setting out our starting positions, with a view to further negotiations in more detail, and probably at a more technical level, over the next few months.*”

All of this wrangling highlights a tension between national and corporate interests. International corporations can move staff and facilities to protect their own revenue streams, but the national interest should be about the strategic long-term well-being of the country. The British are presenting their long-term interests for space policy in terms of national security and military technology. This is in marked contrast to the EU’s big picture vision. Britain did have, and arguably still has, a Space Action Plan aiming at a £30 billion space industry by 2030. However, it would seem that in order to get a Brexit deal, the British government is less concerned about the civilian applications which will form the other plank to achieve that long-term industrial goal. Some experts think that Britain’s industrial success [could be threatened](#) by exclusion from Galileo projects (See also [Ground control to Mrs May – have we lost the signal?](#)). Despite this, it is notable that the government’s Technical Note does not ask for access to the civilian applications of Galileo. Moreover, it effectively discounted them, saying that it does not envisage “attendance at non-security programme meetings” or “any representation at non-security meetings and bodies” in the GNSS Agency that runs the Galileo programme (S20 (a) and 20(b)).

However, the [EU slides](#) released this week, indicate that Britain will struggle to get its desired security deal. Using traffic-light colours, the EU highlights in red how third countries – which Britain will be after March next year – may not participate in the design and development of the PRS system, and how third-country industry may only participate in a limited way as a sub-contractor. Third-country firms may not manufacture the PRS security modules. The slides state Britain’s demands go “beyond standard third-country status”. The slides further state that “design and development of the secure encrypted PRS service”, together with upstream activities, will be reserved for EU Member States, although with a specific agreement, UK firms may be able to manufacture PRS receivers.

It looks like Britain will be scrambling hard to put Galileo at the centre of a new security partnership.

This article also appeared on [Iptegrity](#) and it gives the views of the author, and not the position of LSE Brexit, nor of the London School of Economics.

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